

Renumbered 5/12/2015

63M-1-1804 Motion picture incentives -- Standards to qualify for an incentive -- Limitations -- Content of agreement between office and motion picture company or digital media company.

- (1) In addition to the requirements for receiving a motion picture incentive as set forth in this part, the office, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, shall make rules establishing:
 - (a) the standards that a motion picture company or digital media company must meet to qualify for the motion picture incentive; and
 - (b) criteria for determining the amount of the incentive.
- (2) The office shall ensure that those standards include the following:
 - (a) an incentive may only be issued for a state approved production by a motion picture company or digital media company;
 - (b) financing has been obtained and is in place for the production; and
 - (c) the economic impact of the production on the state represents new incremental economic activity in the state as opposed to existing economic activity.
- (3) With respect to a digital media project, the office shall consider economic modeling, including the costs and benefits of the digital media project to state and local governments in determining the motion picture incentive amount.
- (4) The office may also consider giving preference to a production that stimulates economic activity in rural areas of the state or that has Utah content, such as recognizing that the production was made in the state or uses Utah as Utah in the production.
- (5)
 - (a) The office, with advice from the board, may enter into an agreement with a motion picture company or digital media company that meets the standards established under this section and satisfies the other qualification requirements under this part.
 - (b) Subject to Subsection 63M-1-1803(3), the office may commit or authorize a motion picture incentive:
 - (i) to a motion picture company of up to 20% of the dollars left in the state by the motion picture company, and a motion picture company can receive an additional 5%, not to exceed 25% of the dollars left in the state by the motion picture company if the company fulfills certain requirements determined by the office including:
 - (A) employing a significant percentage of cast and crew from Utah;
 - (B) highlighting the state of Utah and the Utah Film Commission in the motion picture credits;or
 - (C) other promotion opportunities as agreed upon by the office and the motion picture company; and
 - (ii) to a digital media company, if the incentive does not exceed 100% of the new state revenue less the considerations under Subsection (3), but not to exceed 20% of the dollars left in the state by the digital media company.
 - (c) A cash rebate incentive from the Motion Picture Incentive Restricted Account may not exceed \$500,000 per state approved production for a motion picture project.
 - (d) The office may not give a cash rebate incentive from the Motion Picture Incentive Restricted Account for a digital media project.
- (6) The office shall ensure that the agreement entered into with a motion picture company or digital media company under Subsection (5)(a):
 - (a) details the requirements that the motion picture company or digital media company must meet to qualify for an incentive under this part;

- (b) specifies:
 - (i) the nature of the incentive; and
 - (ii) the maximum amount of the motion picture incentive that the motion picture company or digital media company may earn for a taxable year and over the life of the production;
- (c) establishes the length of time over which the motion picture company or digital media company may claim the motion picture incentive;
- (d) requires the motion picture company or digital media company to retain records supporting its claim for a motion picture incentive for at least four years after the motion picture company or digital media company claims the incentive under this part; and
- (e) requires the motion picture company or digital media company to submit to audits for verification of the claimed motion picture incentive.